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OFFICE OF PETITIONS

In re Patent No. 7,485,647 :
Moriya et al. : DECISION ON APPLICATION
Application No. 10/556932 : FOR PATENT TERM ADJUSTMENT
Issue Date: 02/03/2009 :
Filing or 371(c) Date: 11/16/2005 :
Attorney Docket No. BY0025P :

This is a decision on the "APPLICATION FOR RECONSIDERATION OF THE PATENT TERM ADJUSTMENT UNDER 37 CFR §1.705," filed March 2, 2009, requesting that the patent term adjustment determination for the above-identified patent be changed from 529 days to 604 days. The application is properly treated under 37 CFR §1.705(d).

The request for reconsideration of patent term adjustment is **DISMISSED**.

On February 3, 2009, the above-identified application matured into US Patent No. 7,485,647 with a patent term adjustment of 529 days. This request for reconsideration of patent term adjustment was timely filed within two months of the issue date of the patent. See 37 CFR 1.705(d).

Patentees request recalculation of the patent term adjustment based on the decision in Wyeth v. Dudas, 580 F. Supp. 2d 138, 88 U.S.P.Q. 2d 1538 (D.D.C. 2008). Patentees assert that pursuant to Wyeth, a PTO delay under 35 U.S.C. 154(b)(1)(A) overlaps with a delay under 35 U.S.C. 154(b)(1)(B) only if the delays occur on the same day. Patentees maintain that the period of adjustment due to the Three Year Delay by the Office, pursuant to 37 CFR 1.703(b), of 77 days and the period of adjustment due to examination delay, pursuant to 37 CFR 1.702(a), of 529 days overlap for a period of two (2) days only.

Patentees base the 77-day period on the November 16, 2005 date of receipt of 35 U.S.C. 371(c)(1), (c)(2) and (c)(4) requirements, and the patent having been issued on February 3, 2009, three years and 77 days later. Patentees aver that this 77 day period is under 37 CFR 1.702(b), and overlaps with the period of adjustment under 37 CFR 1.702(a) for a period of two (2) days, beginning on the day after the date that is three years after the date of receipt of 35 U.S.C. 371(c)(a), (c)(2) and (c)(4) requirements on November 17, 2008, and ending on the date that the Office mailed the Notice of Allowance, November 18, 2008.

Patentees do not dispute the period of adjustment due to examination delay of 529 days accorded pursuant to 37 CFR 1.702(a). An adjustment of 525 days was accorded pursuant to 37 CFR 1.702(a)(1). An adjustment of four days was accorded pursuant to 37 CFR 1.702(a)(2). At issue is whether patentees should accrue 74 days of patent term adjustment due to the Three Year Delay by the Office, as well as 529 days for Office failure to take a certain action within a specified time frame (or examination delay).

Patentees do not dispute that the total period of Office delay is the sum of the period of Three Years Delay and the period of Examination Delay to the extent that these periods of delay are not overlapping. Patentees, however, contend that the Three Year Delay period overlaps with the period of examination delay for a period of two (2) days only. Accordingly, patentees submit that the total period of adjustment for Office delay is 604 days, which is the sum of the period of Three Year Delay (77 days) and the period of Examination Delay (529 days), reduced by the period of overlap (2 days). As such, patentees assert entitlement to a patent term adjustment of 604 days (77 days + 529 days reduced by 2 overlap – 0 days of applicant delay).

Regarding Patentee's request for recalculation of the patent term adjustment based on the decision in Wyeth, under 37 CFR 1.703(f), Patentees are entitled to a period of patent term adjustment equal to the period of delays based on the grounds set forth in 37 CFR 1.702 reduced by the period of time equal to the period of time during which patentees failed to engage in reasonable efforts to conclude prosecution pursuant to 37 CFR 1.704. In other words, patentees are entitled to the period of Office delay reduced by the period of applicant delay.

A review of the applicant for patent term adjustment reveals that Patentee's have incorrectly calculated the period of adjustment under 35 U.S.C. 154(b)(1)(B) and 37 CFR 1.702(b) for failing to issue the patent within three years of the 'actual filing date' of the application. The period of adjustment under 35 U.S.C. 154(b)(1)(B) and 37 CFR 1.702(b) is the number of days in the period beginning on the day after the date that is three years after the date on which the national stage commenced under 35 U.S.C. 371(b) or (f)). See MPEP § 2730. The commencement date is the date 30 months from the earliest priority date claimed in the international application¹. In this application, the earliest priority date claimed, as shown on the Notice of Acceptance of Application Under 35 U.S.C. § 371 and 37 CFR 1.495, mailed September 13, 2006, is May 21, 2003. Accordingly, the commencement date is November 21, 2005, and the period of adjustment pursuant to 37 CFR 1.703(b) began November 22, 2008, the day after the date that is three years after the date on which the national stage commenced under 35 U.S.C. 371(b), and ended February 3, 2009, the date that the patent issued, or 74 days. Accordingly, Applicant's calculation of the period of overlap of two (2) days – November 17, 2008, and November 18, 2008, is incorrect.

¹ The commencement date may be earlier than 30 months where (1) an applicant expressly requested early commencement, and completed all requirements under 35 U.S.C. 371(c), or (2) Demand was timely filed requesting a change in commencement from 20 to 30 months. Neither is applicable here.

The Office contends that the 74 days of adjustment pursuant to 37 CFR 1.702(b) overlaps with the 529 days of adjustment pursuant to 37 CFR 1.702(a). Patentees' calculation of the period of overlap is inconsistent with the Office's interpretation of this provision. 35 U.S.C. 154(b)(2)(A) limits the adjustment of patent term, as follows:

To the extent that the periods of delay attributable to grounds specified in paragraph (1) overlap, the period of any adjustment granted under this subsection shall not exceed the actual number of days the issuance of the patent was delayed.

Likewise, 35 CFR 1.703(f) provides that:

To the extent that periods of delay attributable to the grounds specified in § 1.702 overlap, the period of adjustment granted under this section shall not exceed the actual number of days the issuance of the patent was delayed.

As explained in *Explanation of 37 CFR 1.703(f) and of the United States Patent and Trademark Office Interpretation of 35 U.S.C. 154(b)(2)(A)*, 69 Fed. Reg. 34283 (June 21, 2004), the Office interprets 35 U.S.C. 154(b)(2)(A) as permitting either patent term adjustment under 35 U.S.C. 154(b)(1)(A)(i)-(iv), or patent term adjustment under 35 U.S.C. 154(b)(1)(B), but not as permitting patent term adjustment under both 35 U.S.C. 154(b)(1)(A)(i)-(iv) and 154(b)(1)(B). Accordingly, the Office implements the overlap provision as follows:

If an application is entitled to an adjustment under 35 U.S.C. 154(b)(1)(B), the entire period during which the application was pending (except for periods excluded under 35 U.S.C. 154(b)(1)(B)(i)-(iii)), and not just the period beginning three years after the actual filing date of the application, is the period of delay under 35 U.S.C. 154(b)(1)(B) in determining whether periods of delay overlap under 35 U.S.C. 154(b)(2)(A). Thus, any days of delay for Office issuance of the patent more than 3 years after the filing date of the application, which overlap with the days of patent term adjustment accorded prior to the issuance of the patent will not result in any additional patent term adjustment. See 35 U.S.C. 154(b)(1)(B), 35 U.S.C. 154(b)(2)(A), and 37 CFR § 1.703(f). See *Changes to Implement Patent Term Adjustment Under Twenty Year Term; Final Rule*, 65 Fed. Reg. 56366 (Sept. 18, 2000). See also *Revision of Patent Term Extension and Patent Term Adjustment Provisions; Final Rule*, 69 Fed. Reg. 21704 (April 22, 2004), 1282 Off. Gaz. Pat. Office 100 (May 18, 2004). See also *Explanation of 37 CFR 1.703(f) and of the United States Patent and Trademark Office Interpretation of 35 U.S.C. 154(b)(2)(A)*, 69 Fed. Reg. 34283 (June 21, 2004).

The current wording of § 1.703(f) was revised in response to the misinterpretation of this provision by a number of Patentees. The rule was slightly revised to more closely track the corresponding language of 35 U.S.C. 154(b)(2)(A). The relevant portion differs only to the extent that the statute refers back to provisions of the statute whereas the rule refers back to sections of the rule. This was not a substantive change to the rule nor did it reflect a change of the Office's interpretation of 35 U.S.C. 154(b)(2)(A). As stated in the *Explanation of 37 CFR*

1.703(f) and of the United States Patent and Trademark Office Interpretation of 35 U.S.C. 154(b)(2)(A), the Office has consistently taken the position that if an application is entitled to an adjustment under the three-year pendency provision of 35 U.S.C. 154(b)(1)(B), the entire period during which the application was pending before the Office (except for periods excluded under 35 U.S.C. 154(b)(1)(B)(i)-(iii)), and not just the period beginning three years after the actual filing date of the application, is the relevant period under 35 U.S.C. 154(b)(1)(B) in determining whether periods of delay “overlap” under 35 U.S.C. 154(b)(2)(A).

This interpretation is consistent with the statute. Taken together the statute and rule provide that to the extent that periods of delay attributable to grounds specified in 35 U.S.C. 154(b)(1) and in corresponding § 1.702 overlap, the period of adjustment granted shall not exceed the actual number of days the issuance of the patent was delayed. The grounds specified in these sections cover the A) guarantee of prompt Patent and Trademark Office responses, B) guarantee of no more than 3-year application pendency, and C) guarantee or adjustments for delays due to interference, secrecy orders and appeals. A section by section analysis of 35 U.S.C. 154(b)(2)(A) specifically provides that:

Section 4402 imposes limitations on restoration of term. In general, pursuant to [35 U.S.C.] 154(b)(2)(A)-(C), total adjustments granted for restorations under [35 U.S.C.] 154](b)(1) are reduced as follows: (1) To the extent that there are multiple grounds for extending the term of a patent that may exist simultaneously (e.g., delay due to a secrecy order under [35 U.S.C.] 181 and administrative delay under [35 U.S.C.] 154(b)(1)(A)), the term should not be extended for each ground of delay but only for the actual number of days that the issuance of a patent was delayed; See 145 Cong. Rec. S14,718²

As such, the period for over three-year pendency does not overlap only to the extent that the actual dates in the period beginning three years after the date on which the application was filed overlap with the actual dates in the periods for failure of the Office to take action within specified time frames. In other words, consideration of the overlap does not begin three years after the filing date of the application.

In this instance, the relevant period under 35 U.S.C. 154(b)(1)(B) in determining whether periods of delay “overlap” under 35 U.S.C. 154(b)(1)(A) is the entire period during which the application was pending before the Office, November 16, 2005, and ending on the date that the patent issued, February 3, 2009. Prior to the issuance of the patent, 529 days of patent term adjustment were accorded for the Office failing to respond within a specified time frame during the pendency of the application. All of the 529 days of Office delay overlap with the 74 days for Office delay in issuing the patent. During that time, the issuance of the patent was delayed by

² The AIPA is title IV of the Intellectual Property and Communications Omnibus Reform Act of 1999 (S. 1948), which was incorporated and enacted as law as part of Pub. L. 106-113. The Conference Report for H.R. 3194, 106th Cong. 1st Sess. (1999), which resulted in Pub. L. 106-113, does not contain any discussion (other than the incorporated language) of S. 1948. A section-by-section analysis of S. 1948, however, was printed in the Congressional Record at the request of Senator Lott, See 145 Cong. Rec. S14,708-26 (1999)(daily ed. Nov. 17, 1999).

529 days, not 74 days + 529 days. Despite the initial 529 days of Office delay, the application issued three years and 74 days after the national stage commenced under 35 U.S.C. 371(b). However, the Office did not delay 529 days and then delay an additional 74 days. Accordingly, 529 days of patent term adjustment (not 529 and 74 days) was properly entered because the period of delay of 529 days attributable to grounds specified in § 1.702(a) overlaps with the 74 days attributable to the delay in the issuance of the patent. Entry of both periods is not warranted.

In view thereof, no adjustment to the patent term will be made.

The Office acknowledges submission of the \$200.00 fee set forth in 37 CFR 1.18(e). No additional fees are required.

Telephone inquiries specific to this matter should be directed to Attorney Derek Woods at (571) 272-3232.



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